

OFFICE OF THE STATE CONTROLLER

STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2004-14

ANNUAL REVISIONS - COMMUNITY COLLEGE DISTRICTS

SEPTEMBER 30, 2004

Government Code Section (GC §) 17561 provides for the reimbursement of state mandated costs. Enclosed is information for updating the Mandated Cost Manual for Community Colleges. The manual contains all forms and instructions that are necessary for community college districts to file 2004-05 fiscal year annual claims with the State Controller's Office (SCO).

Estimated claims for costs to be incurred during the 2004-05 fiscal year and reimbursement claims detailing the costs actually incurred in the 2003-04 fiscal year must be filed with the SCO. **Claims must be delivered or postmarked on or before January 15, 2005.** If the reimbursement claim is filed after the deadline, but by January 15, 2006, the approved claim will be reduced by a late penalty of 10% for initially filed claims and for continuing programs, the late fee is 10% not to exceed \$1,000. In order for a claim to be considered properly filed, the claim must include supporting documentation as specified in the instructions to substantiate the costs claimed. In addition, the claimant must explain the functions performed by each employee for whom costs were claimed. Claims will not be accepted if filed more than one year after the deadline or without supporting documentation.

Amounts appropriated for the payment of program costs are shown beginning on page 4 under "Appropriations for the State Mandated Cost Programs for the 2004-05 Fiscal Year." The fiscal years for which costs can be claimed for a mandated cost program are shown beginning on page 8 under "Reimbursable State Mandated Costs Programs." To prepare 2004-05 estimated claims and 2003-04 reimbursement claims, forms in the manual should be duplicated to meet the district's filing requirements. Claim amounts should be rounded to the nearest dollar.

Claims should be rounded to the nearest dollar. Submit a signed original and a copy of form FAM-27, Claim for Payment, and all other forms and supporting documents. **(To expedite the payment process, please sign the form in blue ink, and attach a copy of the form FAM-27 to the top of the claim package.)** Use the following mailing addresses:

If delivered by
U.S. Postal Service:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
P.O. Box 942850
Sacramento, CA 94250

If delivered by
Other delivery services:

Office of the State Controller
Attn: Local Reimbursements Section
Division of Accounting and Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

MINIMUM CLAIM COST

GC Section 17564(a) provides that no claim shall be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (\$1,000), provided that a county superintendent of community colleges may submit a combined claim on behalf of community college districts within their county if the combined claim exceeds \$1,000, even if the individual community college district's claim does not each exceed \$1,000. The county superintendent of community colleges shall determine if the submission of the combined claim is economically feasible and shall be responsible for disbursing the funds to each community college district. Combined claims may be filed only when the county superintendent of community colleges is the fiscal agent for the community college districts. A combined claim must show the individual claim costs for each eligible community college district. All subsequent claims based upon the same mandate shall only be filed in the combined form unless a community college district provides a written notice of its intent to file a separate claim to the county superintendent of community colleges and to the SCO at least 180 days prior to the deadline for filing the claim.

ESTIMATED CLAIMS

Unless otherwise specified in the claiming instructions, claimants do not have to provide cost schedules and supporting documents with the estimated claim if the estimated amount does not exceed the prior fiscal year's actual costs by more than 10%. The claimant can simply enter the estimated amount on form FAM-27, line (07). However, if the estimated claim exceeds the prior fiscal year's actual costs by more than 10%, the claimant must complete claim forms as specified in the claiming instructions for the program and explain the reason for the increased costs. If the explanation to support the higher estimate is not provided, the claim will automatically be adjusted to 110% of the prior fiscal year's actual costs.

PROGRAM UPDATES FOR 2004-05 FISCAL YEAR

Ch. 486/75, Mandate Reimbursement Process

Ch. 486/75, Mandate Reimbursement Process, provides reimbursement for the cost of: (1) preparing and presenting successful test claims, and (2) preparing and submitting successful reimbursement claims to the SCO. With respect to preparing and submitting claims to the SCO, the 2003 State Budget Act (Chapter 157, Statutes of 2003) imposed in the 2004-05 fiscal year the same limitations as those imposed since the 1995-96 fiscal year. Claiming instructions and forms for Chapter 486/75, Mandate Reimbursement Process, were issued separately and are not included in this revision. Limitations on reimbursement for independent contractor costs are as follows:

“If a community college district (CCD) contracts with an independent contractor for the preparation and submission of reimbursement claims, the costs reimbursable by the state for that purpose shall not exceed the lesser of (1) 10 percent of the amount of the claims prepared and submitted by the independent contractor, or (2) the actual costs that would necessarily have been incurred for that purpose if performed by employees of the community college district.

The maximum amount of reimbursement provided (in the above provision) may be exceeded only if the (CCD) establishes, by appropriate documentation, that the preparation and submission of these claims could not have been accomplished without incurring the additional costs claimed by the CCD”.

Updates of Rates and Factors

The following rates are to be used for filing 2003-04 reimbursement claims. These rates are computed by adjusting the 2002-03 rates by changes in the Implicit Price Deflator (IPD) as determined by the State Department of Finance's Report of August 2004, National Deflators, State and Local Purchases. The estimated change in the IPD for 2003-04 is 2.5%. For preparing the 2004-05 estimated claims, districts may use the program's 2003-04 rate or increase the 2003-04 rate by the estimated 2004-05 IPD change of 2.1% to determine 2004-05 estimated claim amounts. In the subsequent fiscal year, the estimated amount must be adjusted to actual cost.

- *Ch. 961/75, Collective Bargaining (Program No. 232)*

The 2003-04 GNP Deflator factor for adjusting the 1974-75 Winton Act cost is 3.411.

- *Ch. 641/86, Open Meetings Act/Brown Act Reform II (Program No. 238)*

The 2003-04 uniform cost allowance is \$119.28 per meeting. This uniform allowance covers all of the direct and indirect costs incurred in compliance with this mandate.

FINAL FILING DEADLINE FOR 2003-04 FISCAL YEAR CLAIMS

The final filing deadline for 2003-04 reimbursement claims is **January 15, 2005**. A late penalty of 10% of the approved claim will be applied to 2003-04 claims filed after January 15, 2005. **Claims filed after January 15, 2006, will not be accepted.**

APPROPRIATION FOR 2004-05 FISCAL YEAR**Source of State Mandated Cost Appropriations – 2004 State Budget Act (Chapter 208/04)**

Schedule	Program	Amount Appropriated
Item 6870-295-0001		
Chapter 77/78	Absentee Ballots	0 ¹
Chapter 961/75	Collective Bargaining	0 ¹
Chapter 1170/96	Grand Jury Proceedings	0 ¹
Chapter 1120/96	Health Benefits for Survivors of Peace Officers and Firefighters	0 ¹
Chapter 1/84	Health Fee Elimination	\$1,000
Chapter 783/95	Investment Reports	0 ¹
Chapter 284/98	Law Enforcement College Jurisdiction Agreements	1,000
Chapter 126/93	Law Enforcement Sexual Harassment Training	0 ¹
Chapter 486/75	Mandate Reimbursement Process	0 ¹
Chapter 641/86	Open Meetings Act/Brown Act Reform	0 ¹
Chapter 465/76	Peace Officers Bill of Rights	0 ¹
Chapter 875/85	Photographic Record of Evidence	0 ¹
Chapter 908/96	Sex Offenders Disclosure by Law Enforcement Officers	0 ¹
Chapter 1249/92	Threats Against Peace Officers	0 ¹
		<u>\$2,000</u>

¹ In accordance with Budget Item 6110-295-0001, Provision 5, as follows: The Controller shall not make any payments from this item to reimburse community college districts for claimed costs of state-mandated education programs. Reimbursements to community college districts for education mandates shall be paid from the appropriate item within the community colleges budget. Refer to the Community College Manual.

REIMBURSABLE STATE MANDATED COST PROGRAMS

Claims for the following State mandated cost programs may be filed with the SCO. For your convenience, the programs are listed in alphabetical order by program name. An "X" indicates the fiscal year for which a claim may be filed.

2003-04 Reimburse- ment Claims	2004-05 Estimated Claims	Community College Districts	
x	x	Chapter 77/78	Absentee Ballots
x	x	Chapter 961/75	Collective Bargaining
x	x	Chapter 1170/96	Grand Jury Proceedings
x	x	Chapter 1120/96	Health Benefits for Survivors of Peace Officers and Firefighters
x	x	Chapter 1/84	Health Fee Elimination
x	x	Chapter 783/95	Investment Reports
x	N/A ¹	Chapter 284/98	Law Enforcement College Jurisdiction Agreements
x	x	Chapter 126/93	Law Enforcement Sexual Harassment Training
x	x	Chapter 486/75	Mandate Reimbursement Process
x	x	Chapter 641/86	Open Meetings Act/Brown Act Reform
x	x	Chapter 875/85	Photographic Record of Evidence
x	x	Chapter 465/76	Peace Officers Bill of Rights
x	x	Chapter 908/96	Sex Offenders Disclosure by Law Enforcement Officers
x	x	Chapter 105/87	Sexual Assault Response Procedure
x	x	Chapter 1249/92	Threats Against Peace Officers

AUDIT OF COSTS

All claims submitted to the SCO are reviewed to determine if costs are related to the mandate, are reasonable and not excessive, and that the claim was prepared in accordance with the SCO's claiming instructions and the Commission on State Mandate's Parameters and Guidelines (P's and G's). If any adjustments are made to a claim, a "Notice of Claim Adjustment" specifying the claim component adjusted, the amount adjusted, and the reason for the adjustment will be mailed within 30 days after payment of the claim.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC §17558.5, subdivision (a), a reimbursement claim for actual costs filed by a community college district is subject to audit by the State Controller no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and shall be made available to the SCO on request.

¹ This program was suspended for the 2004-05 fiscal year's budget per Chapter 208/04, Item 6110-295-0001.

SOURCE DOCUMENTS

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct based upon personal knowledge." Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

RETENTION OF CLAIMING INSTRUCTIONS

For your convenience, the revised claiming instructions in this package have been arranged in alphabetical order by program name. These revisions should be inserted in the Community College Mandated Cost Manual to replace the old forms. The instructions should then be retained permanently for future reference, and the forms should be duplicated to meet your filing requirements. Annually, updated forms and any other information or instructions claimants may need to file claims, as well as instructions and forms for all new programs released throughout the year will be placed on the SCO's Web site at **www.sco.ca.gov/ard/local/locreim/index.shtml**.

If you have any questions concerning mandated cost reimbursements, please write to us at the address listed for filing claims, send e-mail to **LRSDAR@sco.ca.gov**, or call the Local Reimbursements Section at (916) 324-5729.

Program 232	MANDATED COSTS COLLECTIVE BARGAINING CLAIM SUMMARY					FORM CB-1
(01) Claimant			(02) Type of Claim		Fiscal Year	
			Reimbursement <input type="checkbox"/>			
			Estimated <input type="checkbox"/>		20__/20__	
Rodda Act Direct Costs		Cost Elements				
(03) Reimbursable Components	(a) Salaries and Benefits	(b) Materials and Supplies	(c) Travel and Training	(d) Contract Services	(e) Total	
1. Determining Bargaining Units and Exclusive Representation						
2. Election of Unit Representation						
3. Cost of Negotiations						
4. Impasse Proceedings						
5. Collective Bargaining Agreement Disclosure						
6. Contract Administration						
7. Unfair Labor Practice Charges						
(04) Total Rodda Act Direct Costs						
Winton Act Direct Costs						
(05) Base Year, 1974-75 Direct Costs						
(06) Base Year Direct Costs Adjusted by IPD			[Line (05)(e) x 3.411 for 2003-04 F.Y.]			
(07) Increased Direct Costs			[Line (04)(e) – line (06)]			
Indirect Costs						
(08) Total Rodda Act Direct Costs less Contract Services			[Line (04)(e) – line (04)(d)]			
(09) Base Year Costs less Contract Services adjusted by IPD			[{Line (05)(e) - line (05)(d)} x 3.291]			
(10) Increased Direct Costs less Contract Services			[Line (08) - line (09)]			
(11) Indirect Cost Rate			[Federally approved OMB A-21, FAM-29C, or 7%]		%	
(12) Increased Indirect Costs			[Line (10) x line (11)]			
(13) Total Increased Direct and Indirect Costs			[Line (07) + line (12)]			
Cost Reduction						
(14) Less: Offsetting Savings						
(15) Less: Other Reimbursements						
(16) Total Claimed Amount					[Line (13) – {line (14) + line (15)}]	

Program 232	COLLECTIVE BARGAINING CLAIM SUMMARY Instructions	FORM CB-1
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- (01) Enter the name of the claimant.
- (02) Type of Claim. Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year for which costs were incurred or are to be incurred.
- Form CB-1 must be filed for a reimbursement claim. Do not complete form CB-1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form CB-1 must be completed and a statement attached explaining the increased costs. Without this information the estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) For each of the reimbursable components, enter the total allowable cost from form CB-2, line (05), columns (d) through (g) onto form CB-1, block (03), lines (1) through (7), columns (a) through (d). Total each line and enter in column (e).
- (04) Add columns (03)(d) and (e) for Cost Elements, and enter the totals on this line.
- (05) Method A. Enter the 1974-75 Winton Act (base year) costs on line (05)(e). Enter on line (05)(d) any contract service costs included in line (05)(e).
- Method B. Enter the amount from form CB-1.1, line (04)(b) onto line (05)(e). Enter on line (05)(d) any contract service costs included in line (05)(e).
- (06) Method A. Multiply the base year cost on line (05)(e) by the implicit price deflator (IPD). The 2003-04 IPD is 3.411.
- Method B. Enter the amount from form CB-1.1, line (04)(d).
- (07) Subtract the Base Year Direct Costs Adjusted by the IPD, line (06), from Total Rodda Act Direct Cost, line (04)(e).
- (08) Subtract Total Contract Services, line (04)(d), from Total Rodda Act Direct Costs, line (04)(e).
- (09) Subtract Base Year Contract Services, line (05)(d), from Base Year, 1974-75 Direct Costs, line (05)(e), and multiply the remainder by the IPD.
- (10) Subtract Base Year Costs less Contract Services adjusted by the IPD, line (09), from Total Rodda Act Direct Costs less Contract Services, line (08).
- (11) Community college districts may use the federally approved OMB A-21 rate, the rate computed using form FAM-29C, or the 7% indirect cost rate.
- (12) Multiply Incremental Direct Costs less Contract Services, line (10), by Indirect Cost Rate, line (11).
- (13) Enter the sum of Incremental Costs, line (07), and Incremental Indirect Costs, line (12).
- (14) Less: Offsetting Savings. If applicable, enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (15) Less: Other Reimbursements. If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds, which reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (16) Total Claimed Amount. Subtract the sum of Offsetting Savings, line (14), and Other Reimbursements, line (15), from Total Direct and Indirect Costs, line (13). Enter the remainder on this line and carry the amount forward to form FAM-27, line (13) for the Reimbursement Claim.

Program 238	MANDATED COSTS OPEN MEETINGS ACT/BROWN ACT REFORM II COMPONENT/ACTIVITY COST DETAIL			FORM BAR-2F
(01) Claimant		(02) Fiscal Year		
(03) Flat-Rate Reimbursement Option: Complete columns (a) through (d).				
(a) Meeting Type or Name	(b) Uniform Cost Allowance \$119.28 for 03-04	(c) Number of Agendas	(d) Total (b) x (c)	
(04) Total <input type="text"/> Subtotal <input type="text"/>			Page: ____ of ____	

Program 238	OPEN MEETINGS ACT/BROWN ACT REFORM II COMPONENT/ACTIVITY COST DETAIL Instructions	FORM BAR-2F
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Complete form BAR-2F when calculating agenda costs using the Flat-Rate Option.

Please note that all meetings of the same type or name in a given fiscal year may be claimed using only one basis.

- (01) Claimant. Enter the name of the claimant.
- (02) Fiscal Year. Enter the fiscal year in which costs were incurred.
- (03) Flat-Rate Reimbursement Option.
- (a) Meeting Type or Name. Enter the type or name of the meeting. Only one entry per meeting type or name is needed.
- (b) Uniform Cost Allowance. Enter the uniform cost allowance for the fiscal year of the claim.

Fiscal Year

2003-04 f/

Uniform Cost Allowance

\$119.28

f/ May Revision Forecast, April 2004

Source: US Department of Commerce, Bureau of Economic Analysis

Updated: August 5, 2004

- (c) Number of Agendas. Enter the number of agendas that were prepared for each meeting type or name listed in column (a).
- (d) Total. Multiply the Uniform Cost Allowance, column (b), by the Number of Agendas, column (c).
- (04) Total line (03), column (d), and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the component/activity costs, number each page. Carry forward the totals from line (04), column (d) to form BAR-1, line (09).